

Disaster Recovery Initiative
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**Louisiana Office of Community Development,
Division of Administration**

Louisiana Recovery Authority

**Proposed Action Plan Amendment Number 3
for Disaster Recovery Funds**



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1. Economic Development Programs

1.1 Introduction to Economic Development Programs: Workforce Development Program

Under the Economic Development category, \$332.5 million will be utilized to stimulate short-term and long-term economic recovery of our State. The economic development programs are designed to provide capital, to provide technical assistance, to rebuild the customer base and provide trained employees for existing businesses and to rebuild the base for developing new, higher wage jobs for the region.

Many businesses in the impacted regions suffered losses as a result of damages from the storms and business interruption after the storms. Many businesses are finding it difficult to return to operations because they lack a sufficient workforce. In addition, the task of recovery of impacted areas has increased the demand for skilled labor in the six key recovery sectors—Construction, Healthcare, Transportation, Advanced Manufacturing, Oil & Gas, and the Cultural Sector.

The workforce development program proposed as a part of this Action Plan (outlined herein) is intended to meet the workforce needs of businesses involved in the recovery and rebuilding of the affected areas.

The program will provide grants to workforce providers to implement sector-based workforce training programs to train and place workers into jobs within businesses involved in the recovery sectors. This program is intended to identify the employment needs of businesses within the affected areas that are directly involved in the recovery and rebuilding of these areas and to train a workforce to meet these needs.

The workforce development program described herein is expected to help companies retain and create jobs, many of which are expected to be jobs for low-moderate income individuals.

1.2 Economic Development

Recovery Workforce Training Program (\$38 million)

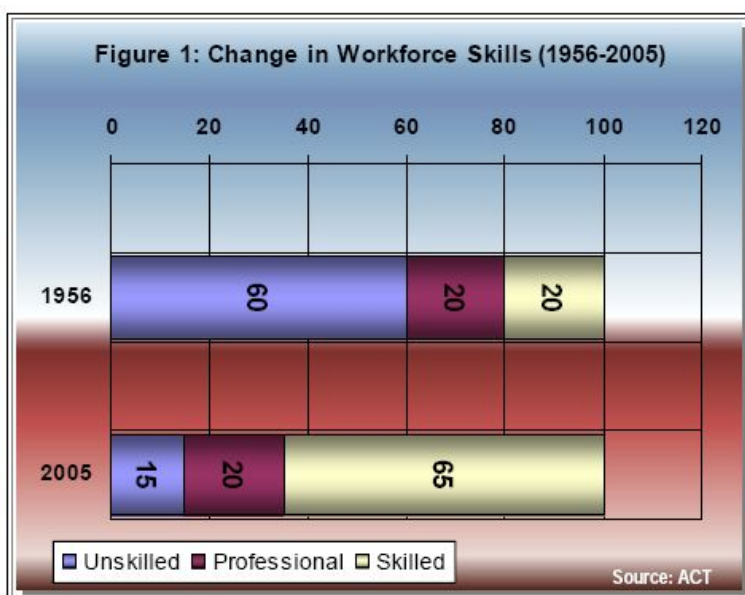
Under the Economic Development category, \$38 million will be utilized to fund the Recovery Workforce Training Program.

Eligible Activity	105(a)(8) 105(a)(17)
National Objective	Low to moderate income and urgent need
Activity Amount	\$38 million

Hurricanes Katrina and Rita dealt a devastating blow to the economic engine in South Louisiana. Approximately 360,000 Louisiana citizens are estimated to still be displaced outside of the State (LRA analysis of population estimates). Some 1.3 Million FEMA applicants were scattered across 50 states by Hurricane Katrina alone (FEMA). It is reported that approximately 18,000 businesses were severely damaged or destroyed, and 220,000 jobs are estimated to have been lost due to the hurricanes (BLS).

The loss of jobs from the hurricanes impacted every sector from healthcare and construction to retail and tourism. The Recovery Workforce Training Program (RWTP) will address the loss of jobs and the re-employment of our workforce as a top priority in the recovery of the impacted areas and the long-term recovery of the State's overall economy. The program is centered on three inter-related factors critical to the recovery of Louisiana's economy: the return of the displaced workforce; the retention of the existing workforce; and a concerted effort to increase skills development for new jobs in sectors related to the immediate and long-term recovery and rebuilding efforts and the future of our economy.

The recovery economy requires that as we address the immediate needs of recovery sectors defined below, we take the opportunity to address critical deficiencies in skills and education within our workforce. Jobs today require workers coming out of high school or postsecondary institutions to have strong problem solving and communication skills. [Figure1.] And yet, according to ACT, current trends in basic skill deficiencies indicate that American businesses will soon be spending more than \$25 billion a year on remedial training programs for new employees. Louisiana's economy is no exception.



The RWTP will seek to augment the State's current workforce training efforts by developing sector-based training programs tailored to the needs of the impacted regions and the recovery sectors. The RWTP will develop a highly skilled and well-trained workforce to meet the immediate and long-term needs of the six identified recovery sectors—Construction, Healthcare, Transportation, Advanced Manufacturing, Oil & Gas,

and Cultural Sector.¹ Training programs will be required to meet the immediate workforce needs within these sectors. Those groups that seek to provide training services to another sector they consider critical will be required to make the case for the need and propose a training plan for that sector.

Louisiana will seek to fund demand-driven, sector-based training programs that will include comprehensive strategies for recruiting, training, hiring and retaining a skilled and productive workforce specific to the needs of the recovery-critical sectors. The program will seek proposals from entities that can demonstrate a proven track record in developing and implementing sector-based workforce training programs in one or more of the recovery sectors. Each group that applies for funding under this program will be required to provide a detailed plan of the proposed approach the group would use to deliver the skilled workforce. Preference will be given to consortia of groups.

Projects to be funded would be those located in the parishes in southeast and southwest Louisiana most affected by Katrina and Rita, including but not limited to those with substantial infrastructure damage. Efficient uses of resources and coordination are critical to any sectoral program. Unless a special exception is made, it will be preferred that only one initiative per sector be developed to serve this need in a given region.

Preference will be given to entities that include the following key partners: companies and/or industry associations for which the training and hiring will be done; community and/or technical colleges; Workforce Investment Boards; other training providers; and other interested parties. In order to meet the extreme workforce demands of the recovery sectors, the consortia will be encouraged to include programs that address the needs of local underserved populations such as high school students not planning to go to college, out-of-school youth, soon to be released inmates, and adult literacy participants.

Applicants will be required to outline the specific employer/worker needs they will address, what they plan to teach (based on the needs of businesses), what organizations/groups would do the teaching and where, expected outcomes (including how many would be trained and hired), support services (i.e. transportation vouchers, stipends for housing, and child care), and funding requirements. Proposals should also include information on how the proposed funding fits with other funds available for this training or for follow up training.

Projects should be scalable to allow the State to adjust funding levels as needed to best use the limited funds available.

Eligibility Requirements: Groups eligible to apply for grants under the Program will include but are not limited to:

- a. Public & private postsecondary institutions;

¹ NAICS codes for the Cultural Sector are those defined by the report: "Louisiana: Where Culture Means Business," produced by Mt. Auburn Associates, 2005.

- b. A consortium of Workforce Investment Boards in a region;
- c. Business groups or trade organizations;
- d. Labor or community-based organizations; or
- e. A consortium of the above groups.

Use of Funds: Training programs funded will contribute to the recovery and rebuilding of the region. Funds will be used for training and support services as described on the previous page in the areas most impacted by the storms.

Application Procedures: It is envisioned that the Louisiana Workforce Commission will manage the RFP process and serve as the administrative entity. Applicants will propose their own training program, which must be focused on specific industry needs, with a detailed plan to meet these needs, and may include support services, described on the previous page, to support those receiving the training. Each consortium will identify one member organization as the fiscal conduit and contracting organization for the program.

Monitoring: Close monitoring will be the key to an effective program. Groups under contract will submit quarterly reports to the Louisiana Recovery Authority, the Workforce Commission, and the Office of Community Development (OCD) in a standard electronic format. OCD will lead the development of this tool based on the standing beneficiary collection requirements of the U.S. Department of Housing and Urban Development. This report will track the following: the number of people being trained by job type and sector; those that receive support services; and the characteristics of training participants. These variables will include socio-economic characteristics such as household composition; area low to moderate income limits; wage rates; educational attainment (prior, during and post-training); and ethnic makeup. The State will ensure that contracted organizations comply with all federal regulations including but not limited to 24 CFR 570.482 (utilizing waivers provided by HUD) and 24 CFR Part 58.

Outcomes: The Recovery Workforce Training Program is expected to help regions train employees for high demand, recovery- and rebuilding-related jobs, many of which are expected to be jobs for low-moderate income individuals. This training will directly benefit area employers.